

July 23, 1992

MEMO TO: BOB ROZEK

FROM: HUGH HANES *HH*

SUBJECT: ACTIVITY REPORT - ENVIRONMENTAL AND GOVERNMENT AFFAIRS

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Environmental, Health, and Safety Communications

Employee Communication has continued to focus on the Tucson Pilot BLTT program and its ramifications. One measurement of the success of this effort is the high level of participation by the workforce - essentially everyone participated in the BLTT and epidemiological studies, and all but two employees gave permission to use their blood cells in Saltini's genetic research.

The primary concern for the Tucson workforce is the jobs issue: the differential between the safety net offered and the CBD income supplement for active employees is great enough to force people to stay with the Company. Counseling through the employee assistance program has heightened the awareness of the CBD policy among former employees who are outside the policy.

During the next period, the Tucson management team will conduct a training session covering their experiences with the St. Clair and Elmore groups. The Tucson team will receive the final results of the National Jewish epidemiology study and will communicate the final results to the Tucson workforce.

The Customer EHS Communications Team has conducted three training sessions for sales and marketing; sessions were held in Detroit, Los Angeles, and New Jersey. The sessions were designed to raise the comfort level of the sales force in dealing directly with EHS issues. Feedback from the participants indicated that the course was very well-received at all sites.

Teams have been organized to deal with two major issues that have come out of these efforts. One team will develop a bulletin or series of bulletins dealing with the "Plain Facts" of beryllium health effects. The other will examine the process and develop a case study to educate a major customer about EHS issues, using Boeing as the target.

During the next period we will also complete the first round of domestic sales training. We plan to do a similar training course in Europe in the autumn concurrent with an all-European sales meeting.

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The Regulatory/Legislative Communication Team has concentrated on building relationships with key government agencies. A follow-up meeting was held with the EPA science group further discussing the issue of the risk assessment in IRIS. A visit was made to OMB to learn their role in the regulatory process. A draft of a position paper describing how the General Mining Law has successfully been applied by Brush was prepared.

Regulatory Issues

During the past period, a trip was made to agencies and federations involved with the regulatory process in Europe. In Europe, beryllium is classified as a potential carcinogen but by inhalation only. One major issue to deal with is the Preparation Directive, which defines all mixtures containing >0.1% of a carcinogen as carcinogenic. This encompasses our entire produce line; our approach will be to get alloys exempted from this classification. The International Association for Research on Cancer (IARC) will convene a conference in February, 1993, to update its monograph on beryllium as a carcinogen. Eurometaux has agreed to relinquish its seat to BISAC as the industry's representative.

The following regulatory issues were most active during the past period:

1. EPA Federal Drinking Water Standard - a standard of 4-ugm/liter of beryllium at the tap has been promulgated. While this number is quite low, it is one we generally can live with, as long as it is not mis-applied to other water standards. The methodology to calculate the standard was a reference dose approach based on no evidence of cancer in animals by ingestion, which is a departure from the past zero-limit method. If we can convince the IRIS people of the validity of the Morgariedge rat study, there is potential to increase this number by as much as two orders of magnitude.
2. Ohio EPA Water Quality Standard - we had filed suit and were scheduled for a hearing in August because of the unreasonably low numbers proposed by OEPA. Through negotiation, we were able to convince them that the number should be no lower than the new Federal Drinking Water Standard. Furthermore, if the Federal standard is increased in the future, OEPA should agree to reopen the issue. They agreed, eliminating the need for costly litigation.
3. New Jersey Clean-Up Standards and Pennsylvania Water Quality Standards - In both cases we have filed testimony objecting to the inordinately low number, arguing for much higher numbers based on Morgariedge, but at least no less than the Federal Drinking Water Standard.

4. ATSDR Document on Beryllium Toxicology - Our input of last February is currently being evaluated. We will offer a mark-up of the draft to be considered by ATSDR. We will also offer to help their contractor with the rewrite.

Medical Issues

A memo reviewing the Tucson Pilot BLTT program was prepared for Gordon Harnett with copies to the Operations Team, dated July 15, 1992.

BISAC has been very active and highly successful in their efforts summarizing the results:

1. Dr. Saltini's genetic research has indicated a 95% predictability of the genetic typing from the approximately 100 subjects he has studied, a truly phenomenal result this early in the program. DoE has indicated that they will fund follow-on to the \$1.0 million level. They will also include beryllium in the human genome project.
2. Dr. Rossman's research on identification of the susceptor sites which control the allergic reaction has also been very successful. As a result, his application for a NIH grant was highly reviewed and will be funded shortly.
3. Dr. Ojo-Amaize's research at Specialty Labs has demonstrated that a reaction to beryllium can be induced in the blood of persons who have had no known previous exposure to beryllium (invitro sensitization). BISAC has granted an extension of this study.
4. BISAC favorably received a proposal from Dr. Richard Craiden at Mass General Hospital. He has developed a technique which when perfected will enhance the accuracy of the BLTT.

Dr. Fred Miller has agreed to address the open issues in the BLTT protocol. This will be done prior to commencing our next round of testing. He was highly complimentary of Dr. Barna at Cleveland Clinic, and feels that they may ultimately offer the most reliable testing.

BISAC has at the industry's request broadened their focus to include the cancer issue. Review of results from inhalation studies at the Inhalation Toxicology Research Institute (ITRI) have indicated a large incidence of cancer in rats. Because these studies were well conducted, our previous arguments against the old, low-quality data will soon be gone. Furthermore, the Ward, Oken paper on Human Cancer (NIOSH) has been accepted for publication in February, 1993. BISAC feels that, while the results are arguable, the analysis was sound.

Dr. Kotin has identified an invitro technique that may allow an affordable test to differentiate the potency of different forms of beryllium. We will review this technique, and if applicable, will encourage BISAC to initiate studies.

Legislative Issues

The debate over the General Mining Law has heated up again in Congress. Congressman Rahal rewrote his HR 918 with larger royalties, heavy emphasis on reclamation, and elimination of patenting, while virtually ignoring any input from industry. The bill passed the authorizing committee 26 - 20 with Wayne Owens, D-UT, voting in the affirmative. (Wayne Owens is the Democrat candidate for Jake Garn's seat in the Senate.)

Senator Bumpers has offered a bill to committee which has features the industry can live with. While his intention was to demonstrate that the industry is uncooperative, we will probably push to support him, removing his basic argument.

There will likely be a moratorium passed on patenting this year. We feel that we have an excellent position with respect to grandfathering our claims.

The final bill modifying the Stockpiling Act authorized disposal of commodities with 5-year targets but included no beryllium. The bill did authorize R&D expenditures of \$25 million per year. Despite this, we can expect ultimately that some beryllium will come back into the market.

Market-Related Issues

During the past period we have been able to identify possible support under Title III of the Defense Production Act (T-III), R&D funding from the Transaction Fund of the Stockpile (T-Fund), and reaffirm the support of the Beryllium Coordinating Committee (BCC) for the industry.

Three key meetings were held during this period. The first of these was a meeting at which the government spelled out the role of various funding mechanisms, including T-III, Industrial Mobilization Incentive Program (IMIP), and Manufacturing Technology (ManTech). The new role of the BCC was also described. In turn, Brush described the current situation with respect to beryllium production, emerging markets including AlBeMet™, HSE issues, and future technology requirements.

At a follow-up meeting, we focused on the applicability of T-III to develop an atomization capability for AlBeMet™ including qualification of the product to Military Standards. We were encouraged to submit a preliminary proposal under the sponsorship of the BCC. Timing with our internal program will be critical.

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We briefed Ken Foster, Deputy Director for Military Preparedness, giving a mini-version of that presented at Wright Patterson. He reaffirmed the applicability of T-III, R&D from the T-Fund, and the role of the BCC. He also underscored the continuing importance of beryllium to DoD. He committed to arrange a meeting between Gordon Harnett and Nick Torelli, Deputy Assistant Secretary for Production Resources. This will occur within the next two months.

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